

## **FRAUD POLICY**

### **BACKGROUND**

This policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against Pattonville School District. It is the intent of this District to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

### **SCOPE OF POLICY**

This policy applies to any fraud, or suspected fraud, involving any employee as well as administrators, board members consultants, vendors, contractors, outside agencies, and/or any other parties with a business relationship with the District. Any investigative activity required will be conducted without regard to an individual's length of service, position/title, or relationship to the District.

### **POLICY**

District Administration is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the administrative team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported immediately to either the Chief Financial Officer or the Assistant Superintendent for Human Resources. If an individual is unable to contact the Chief Financial Officer or the Assistant Superintendent for Human Resources then that individual should contact their immediate supervisor.

### **ACTIONS CONSTITUTING FRAUD**

The term fraud refers to, but is not limited to:

- A false representation of a material fact
- Forgery or alteration of any document or account belonging to the District for personal gain
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of inside knowledge of district activities
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractor's vendors or persons providing services/materials to the Company.

Exception: Donations to District Activities and Fundraisers, Normal Networking Events, and Gifts less than \$50 in value.

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- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

### **OTHER INAPPROPRIATE CONDUCT**

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct, should be resolved by departmental management and Human Resources.

### **INVESTIGATION RESPONSIBILITIES**

The Chief Financial Officer and the Assistant Superintendent for Human Resources have the primary responsibility for the investigation of all suspected fraudulent acts as defined in this policy. If the investigation substantiates that fraudulent activities have occurred, the Chief Financial Officer and/or the Assistant Superintendent for Human Resources will issue reports to appropriate designated personnel and, if appropriate, to the Board of Education through the Audit Committee. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel, the Superintendent, and the Board of Education, as will final decisions on disposition of the case.

### **CONFIDENTIALITY**

All information received is treated confidentially. Any employee who suspects dishonest or fraudulent activity must make appropriate notification immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

### **AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD**

District employees conducting an investigation will have:

- Access to all District records and premises.
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

### **REPORTING PROCEDURES**

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity must contact either the Chief Financial Officer or the Assistant Superintendent for Human Resources immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Assistant Superintendent for Human Resources. No information concerning the status of an investigation will be given out.

**District Code: New**

**RESULTS OF INVESTIGATION**

Any actions taken as a result of an investigation will be conducted in accordance with District Policies and Practices.

Adopted: May 27, 2008